



Federal Clean Air Act Section 185 Failure to Attain Fee

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Presentation to: East Harris County Manufacturers Association,
Texas Chemical Council Air Committee, and
Texas Oil and Gas Association



Outline

- Overview of Federal Clean Air Act (FCAA), Section (§) 185
- Texas' rule overview
- Baseline amount determination
- Aggregated baseline amount
- Reporting
- Example of baseline amount determination
- Fee calculation
- Schedule



FCAA, §185 Fee Requirements

- FCAA, §185 requires each state implementation plan for severe or extreme ozone nonattainment areas to include a penalty fee on major stationary sources of volatile organic compounds (VOC) located in the area.
- The fee is to be imposed if an area fails to attain the National Ambient Air Quality Standard (NAAQS) by the applicable attainment date. FCAA §182(f) extends the fee to nitrogen oxides emissions (NO_x).
- The fee is \$5,000 per ton on an amount over a baseline amount and is adjusted by the consumer price index (CPI).
- The fee is required each year after the attainment date until the area is redesignated as attainment.
- If the state does not impose the fee, the United States Environmental Protection Agency (EPA) will, with interest, and the revenue will not be returned to the state.



§185 Fee Rulemaking History

- TCEQ proposed FCAA, §185 rules in 2009 but did not adopt them.
- TCEQ requested a termination of the fee program in May 2010.
 - EPA guidance allowed termination of the program if an area met the 1997 eight-hour ozone standard.
 - In July 2011, EPA stated they would not process the termination determination.
- A final notice of finding of failure to attain the NAAQS was signed by EPA on June 7, 2012 for the Houston-Galveston-Brazoria (HGB) one-hour ozone nonattainment area.
- TCEQ re-initiated rulemaking and re-proposal was November 14, 2012 and adopted on May 22, 2013.



Failure to Attain Fee Rules

Chapter 101, Subchapter B

- §101.100, Definitions
- §101.101, Applicability
- §101.102, Equivalent Alternative Fee
- §101.104, Equivalent Alternative Fee Accounting
- §101.106, Baseline Amount Calculation
- §101.107, Aggregated Baseline Amount
- §101.108, Alternative Baseline Amount
- §101.109, Adjustment of Baseline Amount
- §101.110, Baseline Amount for New Major Stationary Sources, New Construction at a Major Stationary Source, or Major Stationary Sources with Less Than 24 Months of Operation



Failure to Attain Fee Rules (continued)

Chapter 101, Subchapter B

- §101.113, Failure to Attain Fee Obligation
- §101.116, Failure to Attain Fee Payment
- §101.117, Compliance Schedule
- §101.118, Cessation of Program
- §101.120, Eligibility for Equivalent Alternative Obligation
- §101.121, Equivalent Alternative Obligation
- §101.122, Using Supplemental Environmental Project to Fulfill an Equivalent Alternative Obligation



§185 Fee Rule Applicability

§101.101

- A major source in a severe or extreme ozone nonattainment area is subject to this rule if the area fails to attain the one-hour ozone NAAQS.
- A fee is applicable for the years that the source is major.
- The source can be major for either or both VOC and NO_x.
- In Texas, this applies to the HGB one-hour ozone non-attainment area.
 - Brazoria
 - Fort Bend
 - Harris
 - Montgomery
 - Chambers
 - Galveston
 - Liberty
 - Waller



§185 Fee Alternative Revenue

Sections 101.102 and 101.104

- Alternative equivalent options are allowed under antibacksliding provision of FCAA, §172 and EPA guidance.
- TCEQ adopted a rule that credits revenue from HGB area emission reduction programs to help offset the fee obligation.
 - Texas Emission Reduction Plan (TERP)
 - Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Repair Program (LIRAP)
 - Local Initiative Project (LIP)
- If insufficient revenue is offset, the fee will be assessed on major stationary sources to collect the balance required for the area to meet its annual obligation.



§185 Fee Area Obligation & Reduction

Sections 101.102 and 101.104

- The fee is calculated for each major stationary source on VOC and NO_x emissions exceeding 80 percent of approved baseline amount.
- The fee for each major source is summed to determine a total area-wide obligation.
- The area-wide obligation is discounted based on TERP and LIRAP/LIP revenue.
- This reduction is applied to each major source's initial fee.



Site-level §185 Fee Obligation Reductions

Sections 101.120, 101.121, and 101.122

- Fee may also be reduced for each major source that relinquishes credits from:
 - Mass Emissions Cap & Trade (MECT)
 - Highly-reactive VOC Emissions Cap & Trade (HECT)
- If the major source were part of a group for baseline amounts, the credit will be applied to the group.
- The portion of a Supplemental Environmental Project (SEP) not used to offset an enforcement penalty may be used to offset a fee obligation.



Timing of the Program

Sections 101.116 and 101.118

- The first fee will be assessed on 2012 emissions.
- Adopted rule includes cessation of the program if the area has a finding of attainment.
- The fee invoicing will be placed in abeyance by the executive director if three years of data results in design value meeting the NAAQS.
- Fee is due annually until the area is no longer subject to the program.



Baseline Amount Calculation

§101.106

- Baseline amount is the lower of:
 - annual emissions reported in the emissions inventory (EI) for 2007 (baseline emissions); or
 - emissions allowed by permits in effect in the attainment year (2007).
- Baseline emissions may include emissions from:
 - normal operations, as well as authorized and reported
 - maintenance activities,
 - startups, and
 - shutdowns.



Baseline Amount Calculation (continued)

- Baseline emissions:
 - exclude emissions from emissions events;
 - are calculated using adequate data; and
 - if a source selects an alternative 24-month period, baseline emissions are adjusted downward to exclude any emissions that would have exceeded an emission limit that the site had to comply with on November 15, 2007.
 - permit limitations
 - federal or state requirements



Baseline Emission Period

§101.106

- A major stationary source may select the average of a previous 24-month consecutive period prior to the attainment date (with limited look back period) to allow for irregular or cyclical emissions.
 - ten years for nonelectric utility steam generating units (EGU): 1997 - 2006
 - five years for EGUs: 2002 - 2006
- All emissions units at the major source or in an aggregated group **must** use the same period for a pollutant.
- If VOC are not combined with NO_x, a separate period may be used for each pollutant.



Additional Provisions for Baseline Amount

Sections 101.108 and 101.110

- Baseline amount may also include:
 - emissions units under an administratively complete application submitted by the attainment date and authorized by the adoption of this rule if:
 - emissions were reported in the emissions inventory; and
 - emissions units or processes from those units were previously unauthorized.
 - new emissions units authorized by a nonattainment new source review permit under Chapter 116.



Aggregated Baseline Amount Determination

§101.107

- Baseline amounts can be an aggregation of VOC and/or NO_x across sites under common ownership and control.
- These sources will be identified under a common customer number (CN).
- All sources in an aggregated group must use the same baseline emission period for the baseline emissions.
 - 2007 or
 - 24-month period
- The baseline amount for all sources must be based on the same basis.
 - authorized emissions or
 - baseline emissions



Aggregated Baseline Amount

- Consistency is maintained from baseline amount determination to fee payment.
- A fee will be due on actual emissions from all sources from all sites in a group.

A fee will remain due on a source that is no longer major for a pollutant if that source is part of an aggregated group for that pollutant that still owes a fee.



Aggregation

Aggregation Scenario	Basis and Period
None; VOC and NO _x are not aggregated at a major stationary source	A separate basis and period can be used for each pollutant
VOC is aggregated with NO _x at a major stationary source	The basis and the period must be the same for both VOC and NO _x
VOC is aggregated with VOC at one or more other major stationary sources.	The basis and the period must be the same for the VOC at all major stationary sources in the group.
NO _x is <u>not</u> aggregated with NO _x at other major stationary sources	Each major stationary source may maintain its own separate basis and period for the NO _x baseline amount
VOC is <u>not</u> aggregated with VOC at other major stationary sources.	A separate basis and period can be used for the VOC baseline amount
NO _x is aggregated with NO _x at one or more other major stationary sources.	The basis and the period must be the same for the NO _x at all major stationary sources in the group.
VOC is aggregated with NO _x at more than one major stationary source	The basis and the period must be the same for both pollutants at all major stationary sources in the group



Process for Estimating a Baseline Amount

- Determine if the major stationary source will be aggregating VOC, NO_x, or both at other major stationary sources
- Collect emissions and control data
- Select a period of time for baseline emissions
- Downward adjust baseline emissions, if applicable
- Compare adjusted baseline emissions with authorized emissions and select the lower value



Example of Estimating a VOC Baseline Amount

A company is estimating a baseline amount for VOC. Emissions have been variable and a baseline amount using historical period of time is desired.



Example: Baseline Amount Determination

- Historical period requires sufficient data to adequately describe the operation and emission levels for each emissions unit. Company obtains:
 - emissions inventories
 - permits effective in 2007
 - Control device efficiencies or other limitations affecting equipment emissions levels
 - other source specific legally enforceable state or federal requirements
 - Best Available Control Technology
 - Lowest Achievable Emissions Rate



Example: Baseline Amount Determination (continued)

- The company selects a historical 24-month period of Jan. 1, 2001 to Dec. 31, 2002 to estimate its baseline emissions.
 - Noncompliant emissions are excluded.
 - An annual average is estimated.
- A preliminary annual average of 400 tons of VOC emissions is determined for the baseline emissions by calculating an annual number based on the 24-month period.

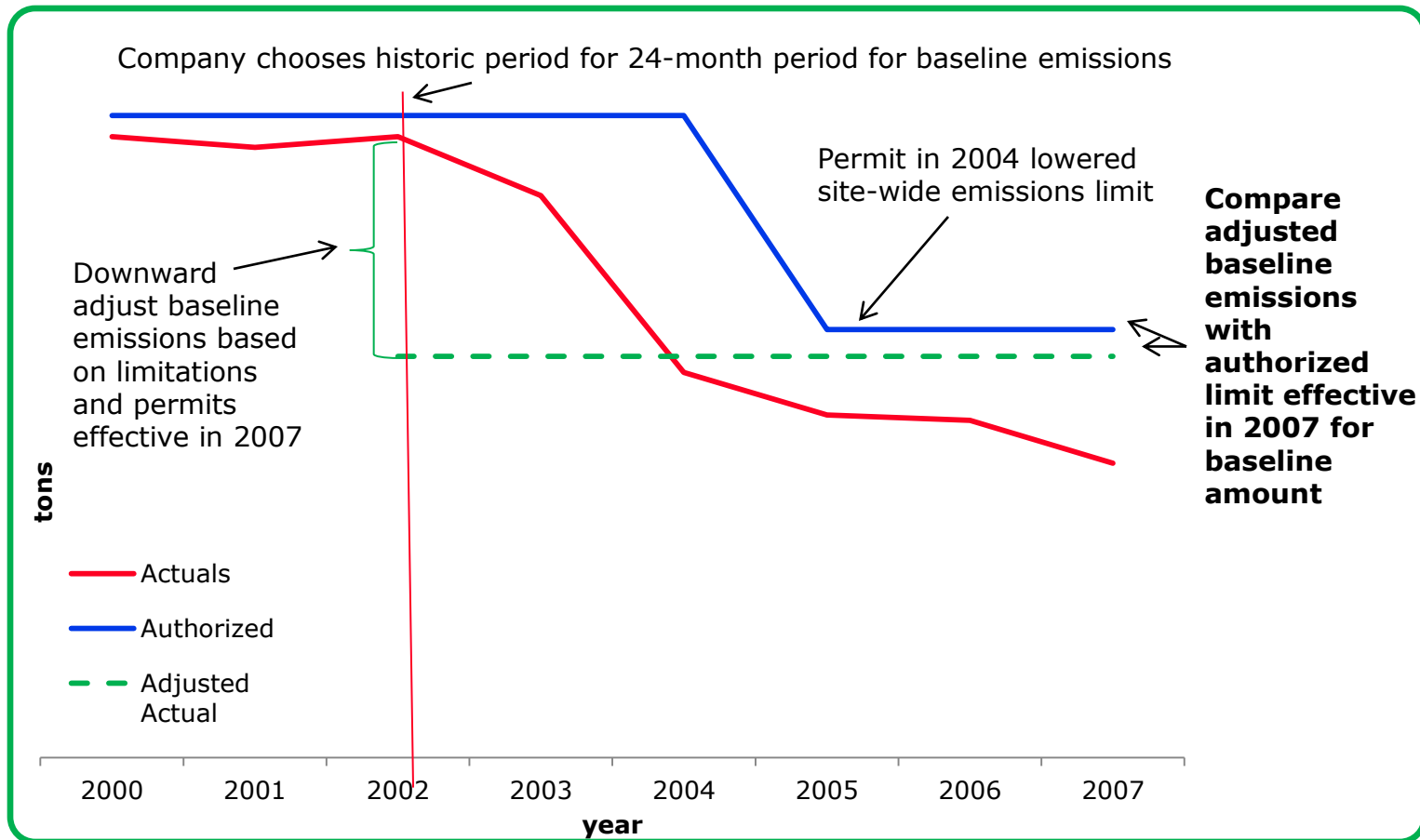


Example: Baseline Amount Determination

- Company reviews all permits and limitations effective in 2007.
 - A permit was issued in 2004 that required a 75% VOC emissions reduction at 3 of the units.
 - No other restrictions are applicable.
- Average baseline emissions are adjusted downward.
 - The 75% reduction applicable for these units is applied to the preliminary average baseline emissions from these units.
 - Remaining units are not affected so their average baseline emissions may be used.
 - Emissions are totaled from all emissions units; assume it is 385 tons.



Example: Baseline Amount Determination (continued)





Example: Baseline Amount Determination (continued)

- Compare authorized emissions of 400 tons to the adjusted baseline emissions of 385 tons.
- Select the lower amount.
- In this example, it is the adjusted baseline emissions.



Reporting

- Each Section 185 Account (group) will submit one form.
- A Section 185 Account (group) may have one or more sites.
- Sites under common control may be aggregated into a single group and a baseline amount determination form is submitted for this group. It may be:
 - VOC only
 - NO_x only
 - VOC and NO_x together



Section 185 Account Form

- Each group will be assigned a Section 185 Account Number.
 - Emissions are listed at a site level.
 - If multiple sites are aggregated, the emissions from each site will be listed on one form.
- A sum of each site's emissions will be made representing the baseline amount for the group.

Reporting Forms: What to Complete

Aggregation Scenario		Baseline Amount Determination Forms Needed
1	None; a major stationary source will maintain VOC and NO _x baselines separately.	Two separate Section 185 Account Numbers will be assigned – one for VOC and one for NO _x . Complete a Section 185 Baseline Amount form for VOC and a second one for NO _x .
2	A major stationary source will combine the VOC baseline amount with the NO _x baseline amount	One Section 185 Account will be assigned for the aggregation of VOC with NO _x . Complete one Section 185 baseline amount form for aggregated VOC and NO _x .
3	<p>VOC baseline amounts are aggregated with VOC baseline amounts at one or more other major stationary sources.</p> <p>NO_x is <u>not</u> aggregated with NO_x at other major stationary sources</p>	<p>One Section 185 Account will be assigned for the VOC group. Complete a Section 185 VOC baseline amount form for this group. List all RNs on the form.</p> <p>Complete a second Section 185 baseline amount form for the NO_x baseline amount at single major stationary source.</p>

Forms: What to Complete (continued)

Aggregation Scenario		Baseline Amount Determination Forms Needed
4	<p>VOC is <u>not</u> aggregated with VOC at other major stationary sources.</p> <p>NO_x is aggregated with NO_x at one or more other major stationary sources.</p>	<p>One Section 185 Account will be assigned for the VOC baseline amount at the major stationary source. Complete a Section 185 VOC baseline amount form.</p> <p>Complete a second Section 185 Account for the NO_x baseline amount for the group. List all RNs on the form.</p>
5	<p>VOC is aggregated with NO_x at more than one major stationary source</p>	<p>Complete one Section 185 baseline amount form for aggregated VOC and NO_x and list all major stationary sources on the form. One Section 185 Account will be assigned for the aggregated VOC with NO_x for this group of sources.</p>



Data Submission

- Baseline amounts are due Sept. 19, 2013.
- Forms will be on enterable pdf at
<http://www.tceq.texas.gov/airquality/point-source-ei/sipsection185.html>
 1. Save the appropriate form(s) to your computer.
 2. Complete the forms.
 3. Print and sign the Forms.
 4. Save a copy of the completed forms on a computer disc (CD).
 5. Mail the signed, completed forms with the CD to the TCEQ.



Form for Example Site: VOC Baseline Amount



Texas Commission on Environmental Quality

Section 185 Volatile Organic Compound Baseline Amount Determination Form for a Single Major Stationary Source or Group of Major Stationary Sources

This group will aggregate the volatile organic compound (VOC) baseline amount from one or more major stationary sources. All subsequent §185 fees are due based on actual VOC emissions from all the major stationary sources listed for this group.

Section 185 Account Number (to be assigned by TCEQ):			
Section A: Customer Information			
Customer Number (CN):	CN111111111	Customer Name:	A Painting Company
Section B: Section § 185 Contact Information			
First Name:	Jane	Last Name:	Doe
Title:	Env Engineer		
Business Address	333 Any Street	Mailing Address	P.O. Box 123
City:	Old Town	City:	Old Town
State:	TX	Zip Code:	1 2 3 4 5 +4: 3 5 6 8
State:	TX	Zip Code:	1 2 3 4 5 +4: 1 2 3
Telephone Numbers and E-Mail Address			
Business:	(713) 123-4567	Ext:	
Alternate Business:		Ext:	
Fax:	(713) 102-3456	E-Mail Address:	JDOE@APAINTING.ORG

Section C: VOC Baseline Amount Worksheet

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Table C.1: Compare VOC Emissions (tons)

RN	Site Name	SIC	Baseline Emissions (EI-Reported*)	Authorized Limit in 2007
RN1136111	Painting Company Site	5 9 9 9	385	400
		Total	385	400

Adjusted VOC baseline amount for all units at the site

All authorizations at site are included

Shows the period for all units in the baseline amount

*Include annual and planned maintenance, startup and shutdown emissions from emissions inventory. Do not include non-compliant

emissions. Adjust the baseline emissions downward to account for emissions limit in place on November 15, 2007.

☐ 2007 Or ☒ 24 Month Period Start Date: Jan 1, 2001 End Date: Dec 31, 2002

☐ 2007 Or ☒ 24 Month Period Start Date: Jan 1, 2001 End Date: Dec 31, 2002

☐ 2007 Or ☒ 24 Month Period Start Date: Jan 1, 2001 End Date: Dec 31, 2002

☐ 2007 Or ☒ 24 Month Period Start Date: Jan 1, 2001 End Date: Dec 31, 2002

☐ 2007 Or ☒ 24 Month Period Start Date: Jan 1, 2001 End Date: Dec 31, 2002

☐ 2007 Or ☒ 24 Month Period Start Date: Jan 1, 2001 End Date: Dec 31, 2002

Table C.2: Determine VOC Baseline Amount	
From Table C.1, Select the lower of Baseline Emissions Total or Authorized Limit Total	
VOC Baseline Amount Total (Tons) ¹⁶	Basis (Select One) ¹⁷
385	Baseline Emissions
<p align="center">Certification</p> <p align="center">VOC Baseline Amount¹⁸</p> <p>I do hereby certify the information reported on this form is true and accurately represents authorizations and baseline emissions for each RN listed to the best of my knowledge.</p>	
Signature: <i>Jane Doe</i>	Date: <i>Oct. 1, 2013</i>

Baseline amount is the lower amount between authorized and baseline emissions.

List if the lower were authorized emissions or baseline emissions.



Attachment 1: Authorizations

List all permit authorizations (including Permits by Rule and Standard Operating Permits) at each major stationary source in the requested group.

RN:	RN1136111	Site Name:	Main Plant
Authorizations:			
369869			
RN:		S	
<div>Optionally, list the authorizations for each site. <i>It is in a company's interest to be submit a complete list of applicable authorizations for a more accurate review of of authorized limits.</i></div>			
RN:		Site Name:	
Authorizations:			



Sample Form for an Aggregated NO_x Group



Texas Commission on Environmental Quality

Section 185 Nitrogen Oxides Baseline Amount Determination Form for a Single Major Stationary Source or Group of Major Stationary Sources

This group will aggregate the nitrogen oxide (NO_x) baseline amount from one or more major stationary sources. All subsequent §185 fees are due based on actual NO_x emissions from all the major stationary sources listed for this group.

Section 185 Account Number (to be assigned by TCEQ):			
Section A: Customer Information			
Customer Number (CN):	CN123456789	Customer Name:	Industrial Complex
Section B: Section § 185 Contact Information			
First Name:	IMA	Last Name:	STAFF
Business Address		Mailing Address	
123 Main Street		123 Main Street Street	
City:	Outa Town	City:	Outa Town
State:	TX	State:	TX
Zip Code:	1 2 3 4 8	Zip Code:	1 2 3 4 8
Telephone Numbers and E-Mail Address			
Business:	(713) 123-4512	Ext:	
Alternate Business:		Ext:	
Fax:	(713) 123-4811	E-Mail Address:	IMA@INDUSTRIAL.COMPLEX.COM

CN is common for all sites being aggregated.

Section C: NO_x Baseline Amount Worksheet

List all the RNs in the proposed Section 185 Account Group. List the NO_x baseline emissions and authorized NO_x limits for each RN. The period used for the baseline emissions must be the same for each RN. List only one RN if no baseline aggregation is being requested for NO_x at a single site.

Table C.1: Compare NO_x Emissions (tons)

[illegible]

*Include annual and planned maintenance, startup and shutdown emissions from emissions inventory. Do not include non-compliant emissions. Adjust the baseline emissions downward to account for emissions limit in place on November 15, 2007.

The Period used for the baseline emissions for all the sites (indicate):

©2007

Or

● 24 Month Period

Start Date:

01/01/2004

End Date:

12/31/2005

Table C.2: Determine NO _x Baseline Amount	
From Table C.1, Select the lower of Baseline Emissions Total or Authorized Limit Total	
NO _x Baseline Amount Total (Tons) ¹⁶	Basis (Select One) ¹⁷
200	Baseline Emissions
<p align="center">Certification</p> <p align="center">NO_x Baseline Amount¹⁸</p> <p>I do hereby certify the information reported on this form is true and accurately represents authorizations and baseline emissions for each RN listed to the best of my knowledge.</p>	
Signature: <i>John Smith</i>	Date: 9/30/2013

Responsible party signs for all sites.

"to the best of my knowledge" has been added to the certification

Attachment 1: Authorizations

List all permit authorizations (including Permits by Rule and Standard Operating Permits) at each major stationary source in the requested group.

RN:	RN123456789	Site Name:	Widget Plt 1
Authorizations:			
22503	58936		
RN:	RN234567890	Site Name:	Widget Plt 2
Authorizations:			
20501			
RN:		Site Name:	
Authorizations:			
RN:		Site Name:	
Authorizations:			



Sample Form: VOC aggregated with NO_x



Texas Commission on Environmental Quality

Section 185 Baseline Amount Determination Form for a Single Major Stationary Source or Group of Major Stationary Sources Aggregating Volatile Organic Compounds with Nitrogen Oxides in a Baseline Amount

This group will aggregate the volatile organic compound (VOC) baseline amount with nitrogen oxides (NO_x) from one or more major stationary sources. All subsequent §185 fees are due based on actual VOC emissions from all the major stationary sources listed for this group.

Section 185 Account Number (to be assigned by TCEQ):			
Section A: Customer Information			
Customer Number (CN):	CN987654321	Customer Name:	Excellent Chemicals
Section B: Section § 185 Contact Information			
First Name:	Joe	Last Name:	Jones
Title:	Staff Contact		
Business Address	1 HWY 1		Mailing Address
1 HWY 1		1 HWY 1	
City:	ANY		City:
ANY		ANY	
State:	TX	Zip Code:	2 3 4 5 6 + 4: 1 2 3 4
State:	TX	Zip Code:	2 3 4 5 6 + 4: 1 2 3 4
Telephone Numbers and E-Mail Address			
Business:	(888) 789-4567		Ext:
(888) 789-4567			
Alternate Business:	(888) 789-2369		Ext:
(888) 789-2369			
Fax:	(888) 789-4563		E-Mail Address: JOE@EXCELLENT.COM

Section C: Baseline Amount Worksheet

Table C.1: Compare Emissions (tons)

			Baseline Emissions (EI-	
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[illegible]

Because VOC are aggregated with NO_x for a baseline amount, the period must be the same for all units at all RNs

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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The Period used for the baseline emissions for all the sites (indicate):

☐ 2007
 Or
 ☒ 24 Month Period
 Start Date:
 End Date:

Table C.2: Determine VOC and NO_x Baseline Amount

****From Table C.1, Select the lower of Baseline Emissions Total or Authorized Limit Total****

VOC with NO _x Baseline Amount Total (Tons) ¹⁶	Basis (Select One) ¹⁷
4,763	Baseline Emissions

Certification

VOC with NO_x Baseline Amount¹⁸

I do hereby certify the information reported on this form is true and accurately represents authorizations and baseline emissions for each RN listed to the best of my knowledge.

Signature:

A Adams

Date:

9/29/13



Example of Newly Authorized Source

- One major stationary source is submitting a baseline amount for VOC. A permit was administratively complete for roof landing losses in January 2007 and issued on Jan 15, 2008. Emissions were reported for roof landing losses for all years since 2004. The baseline year is selected to be 2007. Actual roof landing losses were 250 tons in 2007 and 200 tons were authorized in the new permit for this category of emissions. Roof landings were never previously listed in a permit (thus are considered newly authorized).
- The major source had 500 tons of actual emissions from all other categories of emissions and emissions units at the site. This amount would include emissions from maintenance, startup and shutdown activities. The authorized limit for the permit that was effective on the attainment date for these categories and sources was 510 tons.



Summary of Baseline and Authorized Emissions

Sources	Baseline Emissions (tons)	Authorized (tons)	Lower Amount (tons)
Authorized before attainment year	500	510	500
Authorized after attainment year (roof landings)	250	200	200
Baseline Amount			700



Alternative Baseline – Newly Authorized Sources



Texas Commission on Environmental Quality

Alternative Section 185 Volatile Organic Compound Baseline Amount Determination Form

Use this form to request an alternative volatile organic compound (VOC) baseline amount from one stationary source under 30 Texas Administrative Code Section 101.108.

Section A: Customer Information					
Customer Number (CN):	123456789	Customer Name:	PETROLEUM STORAGE		
Section B: Section §185 Contact Information					
RN:	1234569870	Company Name:	ACEW		
Site Name:	COUNTY SITE				
First Name:	JOHN	Last Name:	ADAMS	Title:	ENV ENG
Business Address	111 MAIN		Mailing Address		
City:	HOUSTON		City:		
State:	TX	Zip Code:		+ 4:	
State:		Zip Code:		+ 4:	
Telephone Numbers and E-Mail Address					
Business:	(703) 345-1234			Ext:	
Alternate Business:				Ext:	
Fax:			E-Mail Address:	JOHN@MADETHISUP.COM	



Section C: Alternative VOC Baseline Amount Worksheet

List the VOC emissions from units and/or processes authorized by the attainment year separately from the VOC emissions from units and/or processes authorized after the attainment year.

Table C.1: Authorized Units and/or Processes by Attainment Year

VOC Baseline Amount Total (Tons)	Authorized Limit in 2007	Lower Value	Basis (Select One)
500	510	500	Baseline Emissions

Period (Indicate): The Period used for the baseline emissions for the major stationary source(s) in Table C.1.

☒ 2007 Or ☐ 24 Month Period Start Date: End Date:

Table C.2: Authorized Units and/or Processes after Attainment Year

VOC Baseline Amount Total (Tons)	Authorized Limit in 2007	Authorization Date	Administratively Complete Date	Lower Value
250	200	08/05/2008	01/03/2007	200

Table C.3: Determine Baseline Amount

****Select the lower value from Tables C.1 and C.2****

C.1 Authorized Prior to Attainment Year	C.2 Authorized After Attainment Year	Total Baseline Amount
500	200	700

Certification	
The information reported on this baseline amount determination form is true and accurately represents authorizations and baseline emissions for this site to the best of my knowledge.	
Signature: <i>John Adams</i>	Date: 8/12/13



New Major Sources, New Construction, or 24-Month Modification



Texas Commission on Environmental Quality

Baseline Amount Form for New Major Stationary Sources, New Construction at a Major Stationary Source, or Major Stationary Source with Less Than 24 Months of Operation

Use this form to request a new or adjusted baseline amount from one stationary source under 30 Texas Administrative Code Section 101.110.

Section A: Customer Information					
Customer Number (CN):			Customer Name:		
Section B: Section §185 Contact Information					
RN:			Company Name:		
Site Name:					
First Name:			Last Name:		Title:
Business Address			Mailing Address		
City:			City:		
State:		Zip Code:		+ 4:	
Telephone Numbers and E-Mail Address					
Business:			Ext:		
Alternate Business:			Ext:		
Fax:			E-Mail Address:		

Section C: Baseline Amount Worksheet

Submission Type		
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New Major Source,
New Construction, or
24-month Adjustment

Table C.1: Compare Baseline Emissions and Authorized Emissions for New Sources

Pollutant	Baseline Emissions Total (Tons)	Authorized Limit	Authorized Date	Authorization Number	Operating Start Date
VOC					
NO _x					

Aggregation method must be the same as
for the original Section 185 Account if this is
for new construction or 24-month adjustment

If the VOC and NO_x baseline amounts are to be aggregated, please complete:

Pollutant	Baseline Emissions Total (Tons)	Authorized Limit	Authorized Date	Authorization Number	Operating Start Date
VOC + NO _x					

Table C.2: Adjust or create an existing Baseline Amount for indicated RN. If known, list the Section 185 Account(s) that will be modified.

Pollutant	Lower Amount from Table C.1.	Basis (Select One)	Section 185 Group Number
VOC			
NO _x			

For aggregated baseline amounts, please complete:

Pollutant	Lower Amount from Table C.1.	Basis (Select One)	Section 185 Group Number
VOC + NO _x			

Section 185 Account
numbers are
not yet assigned if
this source is
newly major.

Certification	
The information on this baseline amount determination form is true and accurately represents authorizations and baseline emissions for this site to the best of my knowledge.	
Signature:	Date:



Fee Determination Process

- Baseline amounts are established for each Section 185 Account.
- The HGB one-hour ozone nonattainment area obligation is determined and is based on:
 - baseline amounts for each account
 - emissions over the baseline amount for each account
 - Fee rate amount
- Amount in the Fee Equivalency Account (FEA) is calculated.
 - TERP
 - LIRAP/LIP



Fee Determination Process, con't.

- The HGB area's obligation is offset by the FEA.
- The remaining amount is assessed to the Section 185 Accounts on a prorated basis.
- Each Section 185 Account can reduce its fee obligation by:
 - relinquishing HECT/MECT credits on ton for ton basis and/or
 - using the portion of a SEP that is not used to offset a penalty.



Fee Calculation

§101.113

- The TCEQ calculates the §185 fee based on the EPA's Part 70 presumptive minimum fee rate.
 - The EPA recommends calculating the §185 fee using Part 70 because it is the basis of existing fee programs.
 - FCAA, §185 fee rate is 200 times the Part 70 fee rate.
- The fee calculation annualizes the fee rate over two fiscal years because the FCAA, §185 fee is based on annual emissions, but Part 70 is based on fiscal year.
- The Part 70 fee already has the required CPI adjustment incorporated into it.



Fee Calculation Equation (continued)

$\$185Fee$

$$= \$200 \left[\left(\frac{2}{3} * Part70x \right) + \left(\frac{1}{3} * Part70y \right) \right] \\ * (Actual - 0.8 * BA)$$

Actual = All quantifiable emissions of VOC, NO_x

BA = Baseline amount in tons per year from a Section 185 Account

Part70 = The Code of Federal Regulations Part 70 fee published by the EPA

- *x*: denotes the 12 months that includes the fiscal year for the calendar year that a fee is being assessed.
- *y*: denotes the subsequent 12 months

For 2012 emissions, the rate is \$9,230 per ton



Co-located Minor Sources

Can they be removed from the EI and baseline amount?

Definitions in rules do not support the concept of a “co-located minor source”

- Section 101.10 requires all units at an account to be in the EI.
- Section 101.1 defines an account as all sources aggregated at a site under common control.
- Section 122.12 adds that R&D facilities are considered part of a site if it has the same first two SIC numbers.



Grandfathered Sources

How are grandfathered source allowables determined?

- According to our available data, the last grandfathered source in the HGB area was permitted in October 2007. Use the permit those limits.



Changes in the EI

Emissions Assessment Section (EAS) Practice

- Emissions may only be changed for:
 - Current Inventory (2012)
 - Most previous year (2011)
 - Up to three more years on a case-by-case basis (2008)
- An exception is if the agency imposes a change in calculation methodology for EI purposes

Schedule

- **2013**
 - May 22 – Rule is adopted
 - June 12 – Rule is effective
 - **Sept 19** – Baseline amounts are due (rule language requires 120 days after adoption date of rule)

Bolded items are required by rule



Schedule (continued)

- **2014**

- Jan 15 – 2012 EI data are available
- May – Baseline amount review completed
- July 31 (tentative item) – pre-invoice statement
- **July 31** – For crediting a calendar year 2012 fee, all credits relinquished and documentation required for SEP must be complete
- **Dec 2** – Invoices mailed to companies (by the end of the calendar year is rule language)
- **Dec 30** – Fee equivalency demonstration submitted to EPA

Bolded items are required by rule



Schedule (continued)

- **2015**

Jan 2 – Fees are due on 2012 emissions

Bolded items are required by rule



Additional Information

Section 185 Webpage:

<http://www.tceq.texas.gov/airquality/point-source-ei/sipsection185.html>

Rules:

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=5&ti=30&pt=1&ch=101&sch=B&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=30&pt=1&ch=101&sch=B&rl=Y)

The Part 70 fee rate:

www.epa.gov/airquality/permits/fees.html

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